

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

RECEIVED

APR 02 2004

W-02467A
Granite Mountain Water Company Inc.
2465 Shane Dr.
Prescott AZ 86305

AZ CORPORATION COMMISSIO
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
----	----	------

FOR COMMISSION USE

Ann04	03
-------	----

COMPANY INFORMATION

Company Name (Business Name) Granite Mountain Water Co., Inc.

Mailing Address 2465 Shane Drive

(Street)

Prescott

AZ

86305

(City)

(State)

(Zip)

928-717-2616

928-717-2621

928-925-3332

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address Same

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Daniel P. Levie President

(Name)

(Title)

2465 Shane Dr.

Prescott

AZ

86305

(Street)

(City)

(State)

(Zip)

928-717-2616

928-717-2621

928-925-3332

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Same

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>Paul D. Levie</u>			
(Name)			
<u>2465 Shane Drive</u>	<u>Prescott</u>	<u>AZ</u>	<u>86305</u>
(Street)	(City)	(State)	(Zip)
<u>928-778-2600</u>	<u>928-717-2621</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Same</u>			
(Name)			
<u></u>	<u></u>	<u></u>	<u></u>
(Street)	(City)	(State)	(Zip)
<u></u>	<u></u>	<u></u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Granite Mountain Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	110.13	77.44	32.69
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	57,378.51	19,189.82	38,188.69
307	Wells and Springs	41,223.19	20,255.79	20,967.40
311	Pumping Equipment	74,468.70	33,141.54	41,327.16
320	Water Treatment Equipment	7,325.00	5,148.69	2,176.31
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	271,780.01	129,788.00	141,992.01
333	Services	55,852.90	17,324.37	38,528.53
334	Meters and Meter Installations	2,547.30	1,085.15	1,462.15
335	Hydrants	74.32	40.91	33.41
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	34,997.50	10,897.70	24,099.80
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	5,000.00	1,479.17	3,520.83
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	20.00	14.06	5.94
	TOTALS	520,777.56	238,442.64	312,334.92

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Granite Mountain Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	110.13	5%	5.51
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	57,378.51	5%	2,868.93
307	Wells and Springs	41,223.19	5%	2,061.16
311	Pumping Equipment	74,468.70	5%	3,723.44
320	Water Treatment Equipment	7,325.00	5%	366.25
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	271,780	5%	13,588.99
333	Services	55,852.90	5%	2,792.68
334	Meters and Meter Installations	2,547.30	5%	127.37
335	Hydrants	74.32	5%	3.71
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	34,997.50	5%	1,749.88
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	5,000.00	5%	250.00
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	20.00	5%	1.00
	TOTALS	545,786.53		27,538.92

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME

Granite Mountain Water Co., Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,776.35	\$ 5,041.59
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1,169.02	8,584.37
146	Notes/Receivables from Associated Companies	6,030.00	25,030.00
151	Plant Material and Supplies		1,273.47
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 8,375.37	\$ 39,929.43
	FIXED ASSETS		
101	Utility Plant in Service	\$ 732,929.19	\$ 79,431.40
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	210,972.38	238,442.64
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 943,901.57	\$ 317,874.04
	TOTAL ASSETS	\$ 952,276.94	\$ 357,803.47

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Granite Mountain Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$ (313.05)
232	Notes Payable (Current Portion)		2,000.00
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	(3,241.91)	972.41
236	Accrued Taxes	(340.12)	532.28
237	Accrued Interest		(348.35)
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ (3,582.03)	\$ 2,843.29
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 8,184.50	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$ 30,502.84
252	Advances in Aid of Construction		12,159.50
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 28,865.34	\$
	Other Deferred Credits		
	Total Deferred Credits	37,049.84	42,662.34
	TOTAL LIABILITIES	\$ 33,467.81	\$ 45,505.63
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 177,139.19	\$ 177,139.19
211	Paid in Capital in Excess of Par Value	337,222.32	337,227.32
215	Retained Earnings	22,690.92	(12,541.39)
218	Proprietary Capital (Sole Props and Partnerships) Net Income		(5,077.51)
	TOTAL CAPITAL	\$ (184,444.77)	\$ 184,444.77
	Other Capital Accts		
	Total Capital Accts	352,607.66	312,297.84
	TOTAL LIABILITIES AND CAPITAL	\$ 386,075.47	\$ 357,803.47

COMPANY NAME	Granite Mountain Water Co., Inc.
---------------------	----------------------------------

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 39,703.52	\$ 48,215.12
460	Unmetered Water Revenue		
474	Other Water Revenues	60.00	270.00
	TOTAL REVENUES	\$ 39,763.52	\$ 48,485.12
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		958.03
615	Purchased Power	6,355.34	5,419.55
618	Chemicals	144.00	632.43
620	Repairs and Maintenance	4,217.27	16,332.36
621	Office Supplies and Expense	1,632.75	705.33
630	Outside Services	1,211.12	1,138.03
635	Water Testing	349.36	
641	Rents		
650	Transportation Expenses	192.75	
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	99.00	112.00
403	Depreciation Expense	27,289.36	27,538.92
408	Taxes Other Than Income		
408.11	Property Taxes	1,180.46	725.98
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 42,671.41	\$ 53,562.63
	OPERATING INCOME/(LOSS)	\$ (2,907.89)	\$ (5,077.51)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (2,907.89)	\$ (5,077.51)

COMPANY NAME

Granite Mountain Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 11,449.50

Meter Deposits Refunded During the Test Year

\$ 0.00

COMPANY NAME	Granite Mountain Water Co., Inc.
---------------------	----------------------------------

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
5511031	1 / 4	5		6"	1"	
502453	1 / 2	5		6 1 / 2"	5 / 8"	
511771	2 1 / 2	25		8"	3"	
554078	15	125		8"	3"	

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
3	1	3	
3	1		
3	1		
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
19,000	1	40	2
5,000	1	40	4

COMPANY NAME

Granite Mountain Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	4,000 Apprx
3	PVC	1,500 Apprx
4		
5		
6	PVC	18,000 Apprx
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	49
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Chlorination Unit Dispenser

STRUCTURES:

3-Well House Structures- 10' x 12'

1-Office and Pressure Pumping Equipment, Storage
Files, Tools and Equipment

1-Building Containing Electrical Facilities, 2000
Gallon Pressure Tank and Pumping Equipment

OTHER:

COMPANY NAME: Granite Mountain Water Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	51	262,576	
FEBRUARY	50	353,270	
MARCH	50	no billing	
APRIL	50	392,890	
MAY	58	629,230	
JUNE	59	849,450	
JULY	59	966,010	
AUGUST	58	689,989	
SEPTEMBER	57	1,098,551	
OCTOBER	55	463,210	
NOVEMBER	54	789,630	
DECEMBER	59	557,388	
TOTAL		N/A	8,849,824

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☒) Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (☒) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. Unknown mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Granite Mountain Water Co., Inc. YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 725.98

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Granite Mountain Water Co., Inc.

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported To Be Determined
Estimated or Actual Federal Tax Liability To Be Determined

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/1/04

DATE

Daniel P. Levie

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 02 2004

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Daniel P. Levie, President
COMPANY NAME	Granite Mountain Water Co., Inc.

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

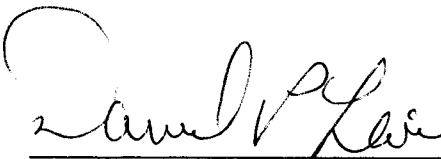
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 51,336.19

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,851.07
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928 778-2600
TELEPHONE NUMBER

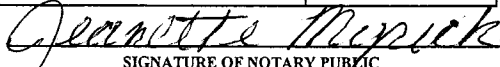
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 1st DAY OF

COUNTY NAME	Yavapai
MONTH	April
	2004

(SEAL)
MY COMMISSION EXPIRES 10-20-04


SIGNATURE OF NOTARY PUBLIC



JEANETTE MYRICK
Notary Public, State of Arizona
YAVAPAI COUNTY

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 02 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Daniel P. Levie</u>	TITLE <u>President</u>
COMPANY NAME <u>Granite Mountain Water Co., Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2003</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

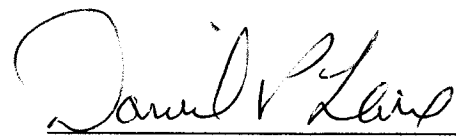
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>51,336.19</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2,851.07
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

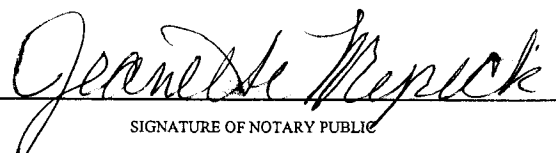
THIS 1st DAY OF

(SEAL)

MY COMMISSION EXPIRES

10-20-2004

NOTARY PUBLIC NAME <u>Jeanette Myrick</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	.2004

X 

SIGNATURE OF NOTARY PUBLIC